

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

**CODE OF VIRGINIA
§ 45.1-361.26**

BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

JURISDICTION: *Code of Virginia* § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: AX-112
TRACT(S): Tract 1A
LOCATION: Russell County, Virginia

DOCKET NUMBER: VGOB-03-1118-1220-01

APPLICANTS: CNX Gas Company LLC on behalf of Buckhorn Coal Company and CNX Gas Company LLC.

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
November 15, 2011

APPEARANCES: Mark Swartz on behalf of CNX Gas Company LLC, Sharon Pigeon, Sr. Assistant Attorney General representing the Board..

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 04/01/2004, Recorded on 04/02/2004, Deed Book 605, Page 924
2. Supplemental Order Executed 03/11/2006, Recorded on 03/14/2006, Deed Book 627, Page 146
3. Amended Supplemental Order Executed on 08/26/2011, Recorded on 09/13/11, Deed Book 739, Page 215

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the November 15, 2011 hearing and consider whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 1A identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 1A relative to the interests of the Applicants identified in the attached miscellaneous petition.
- (3) Continue the escrow account under this docket number.

FINDINGS: *Code of Virginia* § 45.1-361.22

Applicant has certified and represented to the Board that:

1. The owner of the coal estate for Tract 1A is Buckhorn Coal Company for the subject drilling unit.

2. The owner of the gas estate for Tract 1A is CNX Gas Company LLC for the subject drilling unit.
3. Buckhorn Coal Company and CNX Gas Company LLC have entered into a royalty split agreement. Disbursement of funds from Tract 1A are reflected on Table 1 attached..

RELIEF GRANTED:

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.
2. The Escrow Agent is ordered to Continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**

APPEALS:

Appeals of this Order are governed by the provisions of the *Code of Virginia* § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

Table 1

VGOB Approved Disbursement
VGOB 03-1118-1220-01
AX-112

TABLE 1
Tract 1 A

Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage Ownership in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
		Total acreage in escrow before disbursement				58.0160	
1	1	Tract 1	55.39				
1	1	Buckhorn Coal Company (Coal) P.O. Box 187, Tazewell, VA 24651	unknown	55.3900	50.0%	27.6950	47.7418%
2	1	CNX Gas Company, LLC (Oil & Gas) 2481 John Nash Blvd., Bluefield, WV 24701	unknown	55.3900	50.0%	27.6950	47.7418%

Effective Date:

This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 17 day of April, 2012, by a majority of the Virginia Gas and Oil Board.


 Bradley C. Lambert, Chairman
 Virginia Gas and Oil Board

DONE AND PERFORMED this 17th day of April, 2012 BY Order of the Virginia Gas and Oil Board.


 Rick Cooper, Principal Executive to the Staff
 Virginia Gas and Oil Board

**COMMONWEALTH OF VIRGINIA
 COUNTY OF RUSSELL)**

Acknowledged on this 17th day of April, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.


 Diane J. Davis, Notary Public #174394

My commission expire: 09/30/2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO: VGOB 03-1118-1220-01RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 1A
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: November 15, 2011

DRILLING UNIT: AX-112

RUSSELL COUNTY, VIRGINIA

MISCELLANEOUS PETITION

1. Petitioner and its counsel: Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, Bluefield, West Virginia 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, **SWARTZ LAW OFFICES, PLLC.**, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.

2. Relief sought: (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 1A as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Buckhorn Coal Company and CNX Gas Company LLC

3. Legal Authority: Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of well(s): Coalbed methane.

5. Factual basis for relief requested Buckhorn Coal Company and CNX Gas Company LLC have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

6. Attestation: The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

CNX GAS COMPANY LLC
BY ITS PROFESSIONAL MANAGER
CNX GAS COMPANY LLC, PETITIONER

By: 

Anita D. Duty
Pooling Supervisor
CNX Land Resources Inc.
2481 John Nash Blvd.
Bluefield, West Virginia 24701

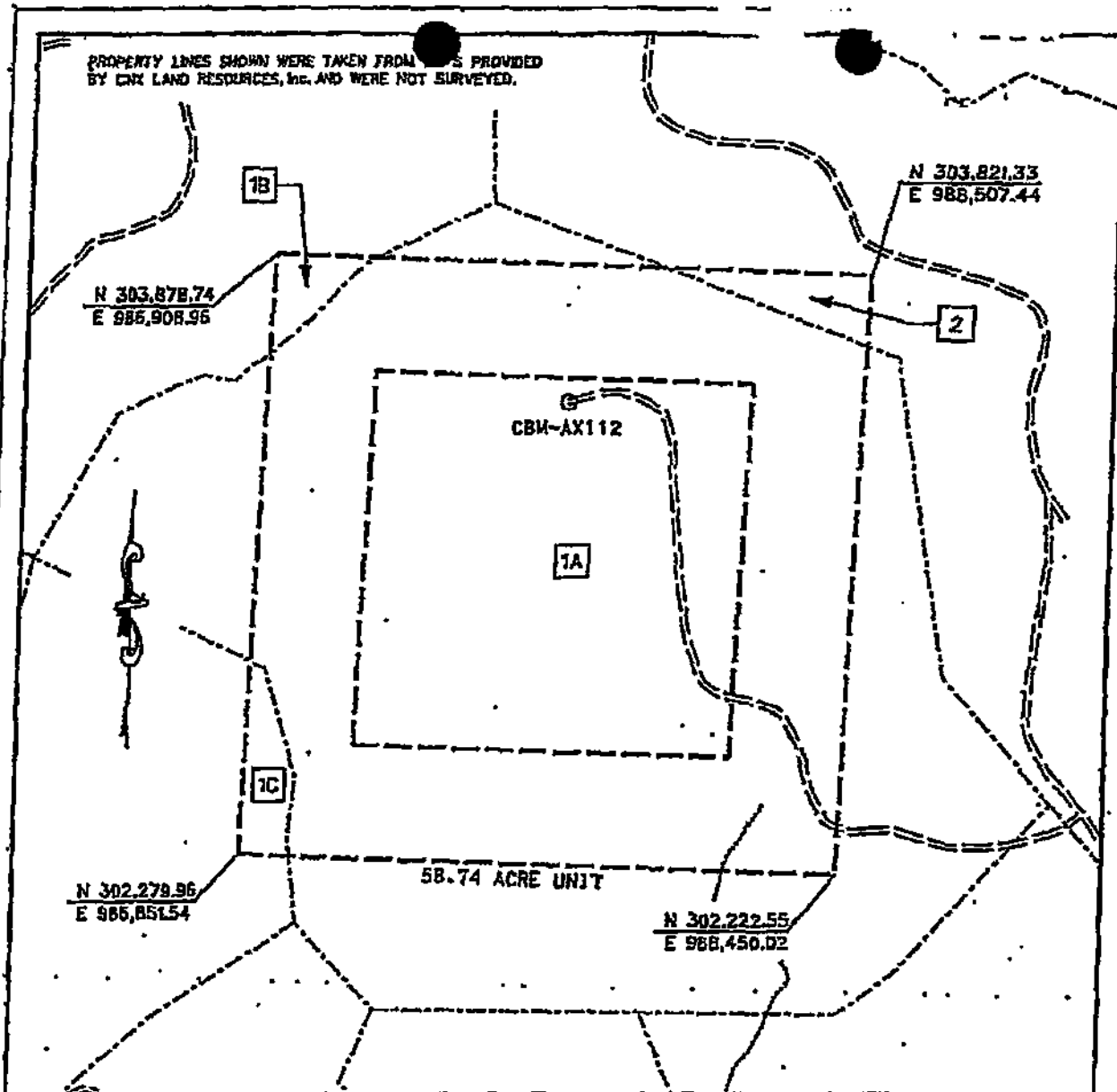


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AX-112
FORCE POOLING
VGDB-03-1118-1220

Company CNX Gas Company LLC Well Name and Number UNIT AX112
Tract No. _____ Elevation _____ Quadrangle Honaker
County Russell District New Garden Scale: 1" = 400' Date 12/12/25
This plot is a new plot X on an updated plot _____ or a final plot _____

Form D60-GO-7
Rev. 9/91

Charles A. May
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CNX GAS COMPANY LLC

Unit AX-112
Tract Identifications
(58.74 Acre Unit)

- 1A. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
CNX Gas Company LLC - Surface and All Minerals except Coal
55.39 acres 94.2969%
- 1B. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Earl Whitel OR Heirs, Devisees, Successors or Assigns of Dr. L. M. Harrison -
Surface and All Minerals except Coal (1/8)
Earl Whitel OR Gant Enterprises, LLP. - Surface and All Minerals except Coal (7/8)
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.84 acres 1.4300%
- 1C. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Earl Whitel OR Elijah Stacy Heirs - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.27 acres 2.1621%
2. Buckhorn Coal Company (Corns & Fletcher Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Heirs, Devisees, Successors or Assigns of B. W. Stras, et al. OR Heirs, Devisees,
Successors or Assigns of S. J. Corn and Susan E. Corn OR Heirs, Devisees
Successors or Assigns of David Keane OR CNX Gas Company LLC,
Swain Perkins, OR Lincous Perkins and Dorothy Perkins - All Minerals except
Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased (Swain Perkins Interest Only)
Dottie Gay Robinette Miller - Surface
1.24 acres 2.1110%

Exhibit A-1
Tract-by-Tract Escrow Calculation
Account Balances as of 8/31/11

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Unit AX-112
Docket VGOB# 03-1118-1220-01
Acres Escrowed: 58.7400

Owners	Tract #	Acres	Owners' Percent of Escrow (50%)	Amount Due Owners \$102,084.37
Buckhorn Coal Company - Coal	1A	55.39	47.1485%	\$48,131.20
CNX Gas Company LLC - Oil & Gas			47.1485%	\$48,131.20

Wells contributing to the escrow account: AX112 & AX112A

Exhibit E
Unit AX-112
Docket #VGOB 03-1118-1220-01
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
<u>Tract #1B, 0.84 acres</u>		
<i>Escrow due to title conflict</i>		
<u>COAL OWNERSHIP</u>		
(1) Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) P. O. Box 187 Tazewell, VA 24651	0.84 acres	1.4300%
<u>OIL & GAS OWNERSHIP</u>		
Michael Whited, et al	0.84 acres	1.4300%
(1) Michael Whited, et al (Previously Columbus Earl Whited heirs)	0.11 acres 1/8 of 0.84 acres	0.1788%
(a) Michael Whited PO Box 297 Swords Creek, VA 24649	0.01 acres 1/10 of 0.11 acres	0.0179%
(b) Ferrel Whited PO Box 1471 Honaker, VA 24260	0.02 acres 9/50 of 0.11 acres	0.0322%
(c) Marty Whited PO Box 881 Lebanon, VA 24266	0.02 acres 9/50 of 0.11 acres	0.0322%
(d) Cathy Darlene Ward 2014 Miller Creek Rd. Swords Creek, VA 24649	0.02 acres 9/50 of 0.11 acres	0.0322%
(d) Herald Whited PO Box 315 Swords Creek, VA 24649	0.02 acres 9/50 of 0.11 acres	0.0322%
(e) Melissa Skeens 120 Clifton Farm Rd. Honaker, VA 24260	0.02 acres 9/50 of 0.11 acres	0.0322%
(OR)		
(1) Dr. L.M. Harrison, Heirs, Devisees, Successors or Assigns Heirs/Addresses Unknown	0.11 acres 1/8 of 0.84 acres	0.1788%
(2) Michael Whited, et al (Previously Columbus Earl Whited heirs)	0.74 acres 7/8 of 0.84 acres	1.2513%
(a) Michael Whited PO Box 297 Swords Creek, VA 24649	0.07 acres 1/10 of 0.74 acres	0.1251%
(b) Ferrel Whited PO Box 1471 Honaker, VA 24260	0.13 acres 9/50 of 0.74 acres	0.2252%

Exhibit E
Unit AX-112
Docket #VGOB 03-1118-1220-01
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

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	Acres In Unit	Interest in Unit
(c) Marty Whited PO Box 881 Lebanon, VA 24266	0.13 acres 9/50 of 0.74 acres	0.2252%
(d) Cathy Darlene Ward 2014 Miller Creek Rd. Swords Creek, VA 24649	0.13 acres 9/50 of 0.74 acres	0.2252%
(d) Herald Whited PO Box 315 Swords Creek, VA 24649	0.13 acres 9/50 of 0.74 acres	0.2252%
(e) Melissa Skeens 120 Clifton Farm Rd. Honaker, VA 24260	0.13 acres 9/50 of 0.74 acres	0.2252%
<i>(OR)</i>		
(2) Gent Enterprises, LLC P.O. Box 330 Honaker, VA 24260	0.74 acres 7/8 of 0.84 acres	1.2513%

Tract #1C, 1.27 acres

Escrow due to title conflict

COAL OWNERSHIP

(1) Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) P. O. Box 187 Tazewell, VA 24651	1.27 acres	2.1621%
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OIL & GAS OWNERSHIP

Michael Whited, et al	1.27 acres	2.1621%
(1) Michael Whited, et al (Previously Columbus Earl Whited heirs)		
(a) Michael Whited PO Box 297 Swords Creek, VA 24649	0.13 acres 1/10 of 1.27 acres	0.2162%
(b) Ferrel Whited PO Box 1471 Honaker, VA 24260	0.23 acres 9/50 of 1.27 acres	0.3892%
(c) Marty Whited PO Box 881 Lebanon, VA 24266	0.23 acres 9/50 of 1.27 acres	0.3892%
(d) Cathy Darlene Ward 2014 Miller Creek Rd. Swords Creek, VA 24649	0.23 acres 9/50 of 1.27 acres	0.3892%

Exhibit E
Unit AX-112
Docket #VGOB 03-1118-1220-01
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
(d) Herald Whited PO Box 315 Swords Creek, VA 24649	0.23 acres 9/50 of 1.27 acres	0.3892%
(e) Melissa Skeens 120 Clifton Farm Rd. Honaker, VA 24260	0.23 acres 9/50 of 1.27 acres	0.3892%
(OR)		
(1) Elijah & Zella Stacy Heirs, Devisees, Successors or Assigns	1.27 acres	2.1621%
(a) Fayne E. Stacy 209 Windham Lane Mars, PA 16046	0.423 acres 1/3 of 1.27 acres	0.7207%
(b) Nancy C. Stacy 2830 Jerman Town Road Oakton, VA 22124	0.212 acres 1/6 of 1.27 acres	0.3603%
(c) Janice Shortridge 9966 Longford Court Veina, VA 22180	0.212 acres 1/6 of 1.27 acres	0.3603%
(d) Myra J. Stacy, widow 2611 Stoneridge Court Arlington, TX 76014	Life Estate	
(e) Alan Stacy 2611 Stoneridge Court Arlington, TX 76014	0.423 acres 1/3 of 1.27 acres	0.7207%

Tract #2, 1.24 acres

Escrow due to title conflict

COAL OWNERSHIP

(1) Buckhorn Coal Company, Tr. 8 (Corn & Fletcher 89.50 Acre Tract) P. O. Box 187 Tazewell, VA 24651	1.24 acres	2.1110%
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OIL & GAS OWNERSHIP

(1) B.W. Stras, Heirs, Devisees Successors or Assigns, et al. Heirs/Addresses Unknown	1.24 acres	2.1110%
(OR)		
(2) S. J. and Susan E. Corn, Heirs, Devisees Successors or Assigns, et al. Heirs/Addresses Unknown	1.24 acres	2.1110%
(OR)		

Exhibit E
Unit AX-112
Docket #VGOB 03-1118-1220-01
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
(3) David Keene, Heirs, Devisees Successors or Assigns, et al. <i>Heirs/Addresses Unknown</i>	1.24 acres	2.1110%
(OR)		
(4) Swain Perkins, et al	1.24 acres	2.1110%
(a) CNX Gas Company, LLC 2481 John Nash Blvd. Bluefield, WV 24701	1.09 acres 7/8 of 1.24 acres	1.8471%
(b) Swain Perkins Rt.1 Box 136E Swords Creek, VA 24649	0.12 acres 1/10 of 1.24 acres	0.2111%
(c) Ricky Allen Perkins PO Box 297 Swords Creek, VA 24649	0.02 acres 1/80 of 1.24 acres	0.0264%
(d) Terry Perkins 30 Boyd Dr. Swords Creek, VA 24649	0.02 acres 1/80 of 1.24 acres	0.0264%
(OR)		
(5) CNX Gas Company, et al	1.24 acres	2.1110%
(a) CNX Gas Company, LLC 2481 John Nash Blvd. Bluefield, WV 24701	0.62 acres 1/2 of 1.24 acres	1.0555%
(b) Dorothy Perkins 1595 Drybread Road Salyersville, KY 41465	0.62 acres 1/2 of 1.24 acres	1.0555%

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Exhibit EE
Unit AX112
Docket #VGOB 03-1118-1220-01
List of Conflicting Owners/Claimants with Royalty Split Agreements
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A, 55.39 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) P. O. Box 187 Tazewell, VA 24651	55.39 acres	94.2969%	47.1485%
<u>OIL & GAS OWNERSHIP</u>			
(1) CNX Gas Company LLC 2481 John Nash Blvd. Bluefield, WV 24701	55.39 acres	94.2969%	47.1485%

201199

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 6-5-2012 This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:06 o'clock P M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: ANN S. McREYNOLDS, CLERK
BY: Kinder Cochran D. CLERK